

BILL NUMBER: SB 567 CHAPTERED 09/21/98

CHAPTER **664**

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INTRODUCED BY Senator Schiff and Assembly Member Escutia
(Coauthor: Assembly Member Scott)

FEBRUARY 24, 1997

An act to add Division 2 (commencing with Section 64000) to Title 6.7 of the Government Code, relating to the Transportation Finance Bank, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 567, Schiff. Transportation Finance Bank.

Under existing law, the California Infrastructure and Economic Development Bank is established within state government with a board of directors having specified duties.

Under federal law (Sec. 350, P.L. 104-59, as amended by Sec. 1511, P.L. 105-178), the United States Secretary of Transportation is authorized to enter into cooperative agreements with specified states, including California, for the establishment of state infrastructure banks and multistate infrastructure banks for making loans and providing other assistance to public and private entities carrying out, or proposing to carry out, projects eligible for assistance under that public law.

This bill would require the California Transportation Commission to allocate funds from the State Highway Account in the State Transportation Fund and other available funds under the jurisdiction of the commission to the Department of Transportation to be used to meet capital and interest obligations created by the Transportation Finance Bank, created as specified, and would specify the manner in which those allocations are to be construed. By requiring the allocation of these funds for a new purpose, the bill would make an appropriation. The bill would authorize the commission to allocate federal and state transportation funds to the department for an enforceable commitment to the California Economic Development Financing Authority for implementing the purposes of the Transportation Finance Bank, consistent with applicable state and federal laws governing the use of those funds. The bill would impose various restrictions and limitations on the funding of these projects.

Appropriation: yes.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Division 2 (commencing with Section 64000) is added to Title 6.7 of the Government Code, to read:

DIVISION 2. TRANSPORTATION FINANCE BANK

64000. (a) (1) The California Transportation Commission may allocate federal and state transportation funds to the Department of Transportation, consistent with all applicable state and federal laws governing the use of those funds, for an enforceable commitment to the California Economic Development Financing Authority for implementing the purposes of the Transportation Finance Bank created pursuant to the authority set forth in the memorandum of agreement entered into by the commission, the department, and the authority, dated May 1, 1996, and amended on July 29, 1996. The commission shall allocate funds from the State Highway Account in the State Transportation Fund and other available funds under the jurisdiction of the commission to the department to be used to meet capital and interest obligations created by the Transportation Finance Bank as those obligations arise or become due.

(2) No funding guarantees for new programs may be made by the commission under this section after the expiration date of the federal demonstration program provided for in Section 1511 of Public Law 105-178.

(3) The commission may allocate state transportation improvement program funds to provide funding guarantees for loans and other instruments of credit if the State Infrastructure Bank program was authorized under Section 350 of Public Law 104-59 to make these loans and instruments of credit.

(b) An allocation of funds by the commission to meet capital and interest obligations created by the Transportation Finance Bank shall be construed as an expenditure in the county or counties where the project is located and an amount equivalent to the allocation shall be deducted from the amount of funds available to the affected county or counties in the ensuing fund estimate prepared pursuant to Sections 14524 and 14525.

(c) Any project requesting funds or funding guarantees under this section shall first receive approval of the project from the applicable county transportation commission where the project is located prior to the receipt of any funding guarantee or funding.

(d) Notwithstanding any other provision of law, the amount of funds needed to meet capital and interest obligations created by the Transportation Finance Bank with respect to those projects shall not exceed the total amount programmed for each county in the previous transportation improvement program.

(e) Only projects that have a dedicated revenue source and are eligible for assistance under Section 1511 of Public Law 105-178 are entitled to funding or guarantees under this section.